

AUDIT COMMITTEE CHARTER

PT ESSA Industries Indonesia Tbk

1. Introduction

The Audit Committee is a committee established by and accountable to the Board of Commissioners of PT ESSA Industries Indonesia Tbk ("the Company") to assist the Board in carrying out its oversight responsibilities in an independent, objective, and professional manner.

The establishment of the Audit Committee reflects the Company's commitment to implementing the principles of Good Corporate Governance ("GCG"), including transparency, accountability, responsibility, independence, and fairness. Through the effective execution of its duties, the Audit Committee supports the Board of Commissioners in overseeing the integrity of the Company's financial reporting, the effectiveness of internal controls, the implementation of risk management practices, compliance with applicable laws and regulations, and the performance of both internal and external audit functions.

This Charter sets out the Audit Committee's purpose, authority, responsibilities, composition, and general working procedures. It also serves to provide shareholders, investors, regulators, and other stakeholders with an understanding of the Audit Committee's role in supporting sound corporate governance and protecting the interests of the Company and its stakeholders.

2. Legal Basis

This Charter is prepared in accordance with the applicable laws and regulations of the Republic of Indonesia, including but not limited to:

- Law No. 40 of 2007 on Limited Liability Companies, as amended;
- Financial Services Authority (OJK) Regulations concerning the Establishment and Implementation Guidelines of the Audit Committee;
- Indonesia Stock Exchange Regulations applicable to listed companies;
- The Articles of Association of PT ESSA Industries Indonesia Tbk; and
- Other relevant internal policies and governance documents of the Company.

This Charter shall be reviewed periodically to ensure its continued compliance with prevailing laws, regulations, and governance best practices.

3. Purpose

The Audit Committee is established to assist the Board of Commissioners in fulfilling its oversight responsibilities by providing independent reviews, recommendations, and advice relating to matters within its scope of responsibility.

The primary objectives of the Audit Committee are to:

- enhance the integrity and reliability of the Company's financial reporting;
- promote the effectiveness of the Company's internal control system;
- oversee the implementation of enterprise risk management;
- monitor the Company's compliance with applicable laws, regulations, and internal policies;
- maintain the independence and effectiveness of both the Internal Audit Function and the External Auditor; and
- support the continuous implementation of Good Corporate Governance throughout the Company.

4. Composition and Membership

The Audit Committee is established by the Board of Commissioners and reports directly to the Board.

The Committee is chaired by an Independent Commissioner and comprises members who meet the independence, competence, integrity, and qualification requirements stipulated under applicable regulations.

Collectively, the members of the Audit Committee are expected to possess sufficient knowledge and experience in areas such as accounting, finance, auditing, risk management, corporate governance, legal compliance, or other disciplines relevant to the Company's business activities.

All members are required to perform their duties with professionalism, integrity, objectivity, independence, and due care, while maintaining the confidentiality of information obtained in the course of their responsibilities.

5. Roles and Responsibilities

The Audit Committee assists the Board of Commissioners in overseeing matters relating to financial reporting, internal control, risk management, audit activities, and regulatory compliance.

Its principal responsibilities include:

- reviewing the Company's financial statements and other financial information prior to public disclosure;
- evaluating the adequacy and effectiveness of the Company's internal control systems;
- reviewing the performance and effectiveness of the Internal Audit Function, including the implementation of corrective actions arising from audit findings;
- providing recommendations to the Board of Commissioners regarding the appointment, independence, scope of work, remuneration, and performance evaluation of the External Auditor;
- overseeing the effectiveness of risk management processes, particularly those related

- to financial reporting and internal controls;
- reviewing the Company's compliance with applicable capital market regulations and other relevant legal requirements;
- reviewing reports or complaints relating to financial reporting, auditing, internal control, or compliance matters in accordance with the Company's established procedures; and
- providing recommendations and professional advice to the Board of Commissioners on matters within the Committee's scope of responsibility.

6. Authority

In carrying out its duties, the Audit Committee is authorized to obtain access to information, documents, records, and explanations necessary to perform its responsibilities from the Board of Directors, Internal Audit, External Auditor, or any relevant function within the Company. The Committee may communicate directly with management, Internal Audit, External Auditor, and other relevant parties whenever necessary to discharge its responsibilities effectively. All authority shall be exercised responsibly and in accordance with the Company's confidentiality requirements and applicable regulations.

7. Working Procedures

The Audit Committee meets regularly and as frequently as necessary to effectively discharge its responsibilities, in accordance with applicable regulations and the Company's governance framework.

Committee meetings provide a forum for discussing financial reporting, audit findings, internal controls, risk management matters, regulatory compliance, and other issues requiring the attention of the Board of Commissioners.

Minutes of each meeting shall be prepared and maintained as part of the Company's governance documentation.

In performing its duties, the Audit Committee maintains effective communication and coordination with the Board of Commissioners, the Board of Directors, the Internal Audit Function, the External Auditor, and other relevant corporate functions.

8. Ethics and Independence

The Audit Committee shall perform its duties with the highest standards of integrity, professionalism, independence, objectivity, and confidentiality.

Committee members are expected to avoid situations that may give rise to actual or perceived conflicts of interest. Where a conflict of interest exists or may arise, the relevant member shall disclose such conflict in accordance with the Company's applicable policies.

The Audit Committee is committed to maintaining an independent perspective in carrying out its oversight responsibilities to enhance stakeholder confidence in the Company's governance practices.

9. Reporting and Performance Evaluation

The Audit Committee reports periodically to the Board of Commissioners on the execution of its duties, significant findings, recommendations, and other matters requiring the Board's attention.

The activities of the Audit Committee are disclosed annually in the Company's Annual Report in accordance with applicable regulatory requirements.

The Board of Commissioners periodically evaluates the effectiveness of the Audit Committee to ensure that it continues to perform its responsibilities efficiently and contributes positively to the Company's governance framework.

10. Review of the Charter

This Charter serves as the general guideline governing the role and responsibilities of the Audit Committee of PT ESSA Industries Indonesia Tbk

The Charter shall be reviewed periodically and updated whenever necessary to reflect changes in applicable laws and regulations, corporate governance best practices, or the Company's organizational needs.

Through this Charter, the Company reaffirms its commitment to maintaining the highest standards of corporate governance, transparency, accountability, integrity, and sustainable business practices.

**Board of Commissioners
PT ESSA Industries Indonesia Tbk**